

## PURPOSE AND METHODOLOGY

### **Purpose**

The Asset Profile summarizes information on current conditions and plans in Cluster 3 to establish a foundation for developing reinvestment objectives, recommendations and priorities. The Asset Profile will also serve as a reference in continued planning for the Cluster and in providing interested investors with basic information about Cluster characteristics and the way Cluster stakeholders view the issues and opportunities those characteristics present.

### **Data Sources and Methodology**

The Asset Profile is based on data collected from a variety of sources.

#### **Existing Conditions Inventory**

Much of the existing conditions information has been collected and mapped by the Michigan Metropolitan Information Center (MIMIC) under contract to the Community Reinvestment Strategy (CRS) project as Information Manager. Other existing conditions information was provided by the City of Detroit's Planning & Development Department (for example, major developments, historic districts) and the CRS core staff. The Technical Assistance Team also developed maps recording existing conditions (for example, vacant land, generalized land use).

#### **Building Condition Surveys**

Information on current building conditions for residential (Housing) and non-residential (Neighborhood Commercial) areas within the Cluster was collected by Cluster stakeholders in a windshield survey. Housing survey information is reported on a census block group basis; Neighborhood Commercial survey information is reported on a block front basis.

#### **Focus Groups and IGLs**

Input from Cluster stakeholders was gathered through a series of Focus Groups and Instrumented Group Interviews (IGIs). The Focus Group workshops were attended by over 80 stakeholders who "brainstormed" issues, assets and barriers to reinvestment, as well as potential reinvestment locations, and then prioritized those ideas by "voting" for the ones each participant felt were most important to the future of the Cluster as an attractive place to live and do business.

## **Existing Activities and Future Plans of Cluster Organizations**

Community-based and Housing Development organizations in Cluster 3 were invited and encouraged to share information about their current projects/activities and future plans. To the extent that this information was provided, it has been reflected in the Asset Profile.

## **OVERVIEW**

Cluster 3 is located on the east side of Detroit, between the Detroit River and I-94 and extending from Mt. Elliott (except the area south of Jefferson and west of the Belle Isle Bridge) to the eastern City limits. Cluster 3 is bordered on the north by Clusters 1 and 2; on the east and southeast by Harper Woods, Grosse Pointe Shores, Grosse Pointe Farms, Grosse Pointe and Grosse Pointe Park.

Cluster 3's total land area is about 16.5 square miles – about 12% of the land area of the City of Detroit.

## **Existing Land Use Profile**

### **Residential and Open Space Use**

Land use in Cluster 3 is predominantly residential. Major parks and open spaces in the northern portion of the Cluster include Balduck Park near the eastern City limit and Chandler Park located at the center of the Cluster, just east of Conner. Other major parks are located along the riverfront (Mariners, Lakewood East, Ford, Maheras, Waterworks, George Engel, Emma Henderson, Owen, Gabriel Richard) and, while not continuous, comprise about 50% of Cluster 3's river frontage. Other smaller parks and playgrounds are scattered through the center of the Cluster, with more parks located to the west of Conner than to the east.

### **Retail and Commercial Uses**

For the most part, retail and commercial uses are located along major east-west roadways including Warren, Mack, Kercheval and Jefferson Avenue. Commercial uses are also located along Gratiot which cuts diagonally across the northwest corner of the Cluster.

### **Institutional Uses**

Major institutional uses include:

- Wayne County Community College on Conner just south of I-94;
- Mercy Hospital, just to the south of Wayne County Community College;
- St. John Hospital on the east edge of the Cluster;

- Riverview Hospital; and
- Golightly Vo Tech Center on Jefferson east of Conner.

Three high schools serve the area – Kettering in the northwest, Finney in the northeast and Southeastern in the center of the Cluster. Elementary and middle schools are scattered throughout the Cluster.

## **Industrial**

Cluster 3 includes two major industrial corridors. One is located on the west edge of the Cluster between Mt. Elliott and Bellvue along a rail corridor which has now been abandoned; the second, more significant corridor is located in the middle of the Cluster roughly between Conner and St. Jean extending from I-94 to the Detroit River.

## **Expressways and Major Streets**

I-94 defines Cluster 3's northern border and I-75 is located about 2 miles to the west. Major east-west streets include Warren, Mack, Jefferson and Gratiot (across the northwest corner of the cluster). Major north-south streets include Mt. Elliott, East Grand Boulevard Conner, Van Dyke, Chalmers, Alter, Cadieux and Moross.

## **Regional Context**

### **Neighborhood Commercial**

As population declined in Detroit and increased in the surrounding metropolitan area, the focus of retail development and sales also shifted to the suburbs. Today, many Detroit residents have difficulty finding the quality and variety of retail goods and services they seek within the City. As a result, significant consumer dollars from Detroit are spent outside its boundaries. In 1995, Oakland County had \$15.3 billion in retail sales compared to \$3.75 billion in Detroit, despite the fact that the (1990) population of the City and Oakland County were roughly equivalent. It is estimated that Detroit consumers account for 38% of the retail sales in Oakland County.

Population migration is not the only factor drawing retail development to the suburbs. While commercial developers find easy automobile access and large shopping center sites with ample space for on-site parking in suburban areas, the assembly and preparation of larger commercial sites within the City can be expensive and time consuming. Outside of Detroit's Central Business District, the majority of

commercially zoned sites have a limited development depth (approximately 100 feet) which cannot accommodate large footprint users and on-site parking without reconfiguration and re-zoning.

## Housing

While Detroit's population and that of Oakland County were virtually the same in 1990, the City had fewer acres of land zoned for residential use, fewer housing units, a lower percent of owner-occupied units and a lower median owner occupied housing value. In fact, on all these measures, the City lagged behind each of the three metro area counties.

<u>1990 Census Data</u>	<u>Detroit</u>	<u>Wayne County</u>	<u>Oakland County</u>	<u>Macomb County</u>
Population	1,027,424	2,111,687	1,083,592	717,400
Acres zoned residential	53,191	164,877	188,757	81,190
Housing Units	410,027	832,710	432,677	274,843
% Owner occupied	57%	66%	74%	78%
Median value (owner occupied)	\$25,300	\$48,500	\$95,400	\$76,800

Not surprisingly, new suburban residential construction (measured by 1996 construction permits) greatly exceeds residential construction within the City.

<u>Construction Permits 1996</u>	<u>Detroit</u>	<u>Wayne County</u>	<u>Oakland County</u>	<u>Macomb County</u>
Single and Two family	55	2,807	6,021	4,331
Multifamily	31	1,331	1,155	1,165
Gross total	86	4,138	7,176	5,496
Demolitions	8,432	8,798	424	156
Net total	-8,346	-4,660	6,752	5,340

## Job Centers

Oakland County also takes the lead in jobs-related development in the metropolitan Detroit area. The Michigan Employment Securities Administration (MESA) reports that 29% (102,000) of the 351,000 jobs created in the State between 1990 - 96 were located in Oakland County. The latest available information on commuting patterns shows that 49,000 Detroiters commute to Oakland County each work day while 56,000 Oakland County residents commute to Detroit.

In 1997, Detroit's labor force totaled 395,025 with an unemployment rate of 9.7%. In comparison, the unemployment rate in Wayne County was 5.8% and 4.5 % in the State of Michigan.

## Special Issues

### Vacant Land

There are a number of significant concentrations of vacant land in Cluster 3, both to the east and west of the Conner industrial corridor. East of Conner these vacant land concentrations include:

- the area from Warren to Jefferson roughly between Algonquin and Alter Road; and
- the area south of Jefferson between Conner and Algonquin.

West of Conner, they include:

- the area south of Jefferson between St. Jean and Waterworks Park (the Graimark area);
- the area south of Canfield from Holcomb to Garland; and
- other pockets through out the area west of St. Jean.

These concentrations of vacant land present a significant challenge in terms of reversing a severe level of disinvestment over large areas. Nevertheless, they also represent special opportunities if large, cleared sites can be assembled and used as an incentive to attract significant reinvestment projects.

### City-owned Surplus Land

A significant percentage of the parcels located in certain portions of Cluster 3 have been transferred to the City's control through the tax reversion process. In three areas – the east central portion of the Cluster from Warren to Jefferson between Conner and Alter; from Vernor to Jefferson between Hurlbut and St. Jean and from Mack to Jefferson between McClellan and Fischer – the City controls between 40% - 55% of the existing parcels. While additional land assembly is likely to be required in these areas before a large parcel could be made available for redevelopment, a very high percentage of City ownership is an indication of the feasibility of assembling an area – or sites within an area – for redevelopment.

## Historic Structures and Districts

Two national Register Historic Districts are located in Cluster 3: Indian Village and West Village. In addition, a number of National Register historic sites are located in the Cluster.

- Alden Park Towers  
8100 E. Jefferson
- Chateau Frontenac Apartments  
10410 E. Jefferson
- El Tovar Apartments  
320 East Grand Boulevard
- Kean Apartments  
8925 E. Jefferson
- St. Catherine of Sienna
- St. Charles Borromeo
- Sweet House  
2905 Garland
- Whittier Hotel  
415 Burns
- Vanity Ballroom  
14201 E. Jefferson
- Pewabic Pottery  
10125 E. Jefferson

## Zoning

Significantly more roadway frontage – especially on Kercheval and Mack west of St. Jean and on Warren east of Conner – is currently zoned for neighborhood commercial use (B4, General Business District) than may be appropriate for the future. This is especially true where existing commercial building conditions are poor and neighborhood commercial reinvestment is not targeted for the next 5 - 10 years. In addition, reconsideration of the intensity of commercial zoning may be appropriate in some areas where commercial reinvestment is targeted (for example, re-zoning from B4 to B2 or B3). Stakeholders have proposed a tighter definition of commercial uses permitted as of right in order to exercise greater control over the location and incidence of “nuisance” uses (liquor sales, beer stores, etc.).

Interestingly the major shopping center area west of Conner at Warren is currently zoned M4, Intensive Industrial, although it is developed for commercial use. Stakeholders would like to encourage reinvestment in, and improvement of, this commercial concentration while encouraging a mixed use and more pedestrian-oriented pattern of development. Expansion of this commercial/mixed use concentration to the east side of Conner (south of Warren) has also been proposed. Re-zoning will be required to permit this change in land use.

Cluster 3 stakeholders have also strongly recommended that the improvement of large areas where severe housing disinvestment has occurred be master planned to include a clearly defined open space framework, a mix of housing types and costs, neighborhood serving

commercial and civic uses. To accomplish this, it may be necessary for the City to take the lead in developing a master plan to ensure development coordination. The use of PD, Planned Development District zoning may also be a useful tool in encouraging the coordination of reinvestment efforts.

Reinvestment recommendations for Cluster 3 also include exploration of the feasibility of creating an expanded industrial zone in the northwest corner of the area (north of East Grand Boulevard and south of I-94) to create an appropriately sized site for business park development. Re-zoning would be required to implement such a concept, if it is found feasible.

### **Empowerment and Renaissance Zones**

The portion of the City of Detroit's Empowerment Zone which is located in Cluster 3 includes:

- the southwest corner of the Cluster from Mack to Vernor between Mt. Elliott and Maxwell and from Vernor to Jefferson between East Grand Boulevard and Parker; and
- a cross-shaped area with the east/west arm extending from Warren to Mack between Van Dyke and Balfour Road and the north/south arm extending from I-94 to Jefferson between Algonquin/Correr and St. Jean.

Cluster 3's Renaissance Zone is located in its northwest corner and includes the old Packard site.

Renaissance Zones, designated by the State of Michigan and the City of Detroit, provide almost total state and local tax relief to both residents and businesses in order to encourage reinvestment consistent with local zoning requirements. Taxes waived by the State include the Single Business Tax and the 6-mill State Education Tax. Local taxes waived include Real and Personal Property Tax on operating mills, Income Tax and Utility Users Tax. Renaissance Zone status can last for up to 15 years with tax relief being phased out in the final three years in 25% increments.

Federally designated Empowerment Zones provide financial and other benefits to businesses locating in and hiring residents from the Zone. Employers can receive wage credits for employees who work and live within the Empowerment Zone and tax deductions for qualifying

Section 179 property in the year that the property is placed in service (rather than through depreciation). Tax exempt financing is also available for eligible uses.

## Socio-economic Profile

Census data from 1990 have been used to describe the socio-economic profile of the Cluster. While these data are no longer current, they represent the best available city-wide source of socio-economic statistics.

### Cluster 3 Compared to the City of Detroit

Cluster 3 is the City's second largest cluster in terms of population with 126,202 residents, representing about 12% of the City's total 1990 population. Cluster 3's median household income, at \$15,209, is below the median for the City (\$18,740) and is the fourth lowest of the ten clusters. Cluster 3 also has a higher percentage of persons living in poverty than the City as a whole (38% in Cluster 3 vs. 32% for the City). Cluster 3's median housing value, at \$23,900, is also lower than the city-wide median (\$25,600). On this measure, Cluster 3 is about "the middle of the pack" with five clusters having higher and four having lower median housing values.

### Tract Comparisons within Cluster 3

A comparison of census tracts within the Cluster illustrates their relative degrees of strength based on several indicators (% occupied structures, % owner occupied, median housing value and median household income). This information establishes a frame of reference for determining where reinvestment can take best advantage of Cluster assets. However, the census data also demonstrate that there is a significant range of median household incomes (with a high of \$37,481 and a low of \$6,438) and housing values (with a high of \$91,600 and a low of \$11,800) within the Cluster.

### Crime

1996 City of Detroit data on number of crimes by squad car area are presented in map form to illustrate how Cluster 3 compares to other areas in the City. The majority of stakeholders report feeling moderately safe in their neighborhoods with drugs, drug houses and drug induced crimes seen as the most significant public safety issues. (In fact, the crime statistics for the Cluster seem to indicate that of 7 categories of crime, burglary represents 20% of total Cluster crimes and car theft represents 29%.)



## Organizational Profile

### Overview

Ten community-based development and/or housing organizations are active in Cluster 3, helping to rehabilitate single and multifamily housing, construct infill housing, plan for the construction of significant new housing developments and encourage neighborhood commercial and job-related reinvestment. In addition fifteen neighborhood organizations are active in the area. Over 17 human services organizations are located in Cluster 3 providing a range of health/mental health, education, recreation, family counseling and job training services.